



What's Out There?

- Federal income tax credits
 - **(20%, 10%)**
- Federal deduction for easement donations
- State income tax credits
 (25%, 10%)
- Local option property tax abatement – freeze of tax value
- Federal energy tax credits
- SC Textile Communities Revitalization Act
- Federal low income housing tax credit
- Federal New Market tax credit

Can be used on historic and non –historic buildings



Other links

- SC Housing, Finance & Development Authority http://www.sha.state.sc.us/Housing Partners/Tax Credits
- SC Energy Office
- http://www.energy.sc.gov/
- New Market Tax Credit Coalition <u>http://nmtccoalition.org/</u>

How Incentives Work...

- Credit: reduces amount of taxes owed \$1 credit reduces taxes by \$1
- Deduction: Reduces amount of income \$1 deduction, 20% tax rate, lowers tax by 20 cents
- Property Tax Abatement: Assessment of value set at pre-rehab value

savings depends on millage rate

Historic Tax Credits Based on USE

What type of project do you have?

- · Historic Building, income-producing
- Historic Building, owner-occupied home
- Historic Building, mixed use
- "Non-Historic" Building, non-residential income-producing use

"We don't give tax advice"



Historic Building income-producing use

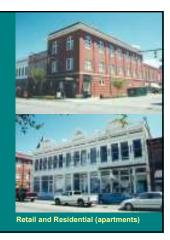
- Federal Income Tax 20% Credit
- State Income Tax 10% Credit

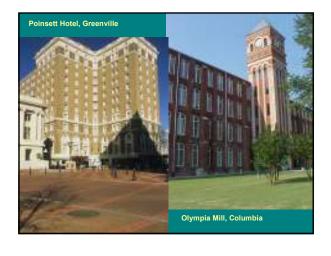


May also apply:

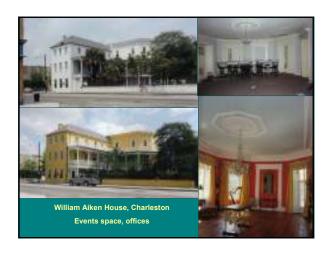
- Local Property Tax Freeze of Tax Value
- Easement deduction
- Low income housing credit, textile mill credit, etc













Historic Building owner-occupied home

• State Income Tax - 25% Credit

May also apply:

- Local Property Tax Freeze of Tax Value
- Easement deduction

Work reviewed by SHPO before project starts

CONTACT THE SHPO EARLY IN THE PLANNING PROCESS





Historic Building mixed use

- Federal Income Tax 20% credit (partial)
- State Income Tax 10% credit (partial)
- State Income Tax 25% credit (partial)

May also apply:

- Local Property Tax Freeze of Tax Value
- · Easement deduction

CONTACT THE SHPO EARLY IN THE PLANNING PROCESS



"Non" Historic Building income-producing use

- Federal Income Tax 10% Credit May also apply:
- · Local Property Abatement
- · Textile mill credit



CONTACT THE SHPO EARLY IN THE PLANNING PROCESS



Basic Requirements for Historic Tax Credit Projects

- · Be designated HISTORIC, not just old.
 - National Register for Federal/State
 - Local designation for local incentive
- · Spend enough MONEY.
 - Meet the threshold for the program
- Do the work RIGHT.
 - Work meets Standards for Rehabilitation

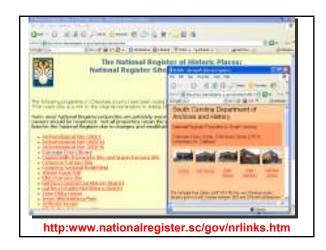


Designated **Historic**

- National Register of Historic Places

 (state and federal credits use listing status)
- Local historic designation
 - (for local property tax freeze)
- Non-historic (1936), not National Register listed

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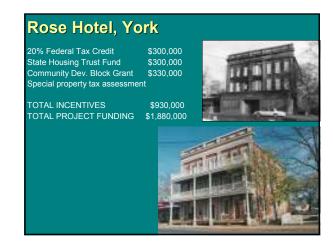


Spend Enough Money

- Income-producing projects
- Exceed the adjusted basis in 24 (60) months
- Owner-occupied homes
 - More than \$15,000 in 36 months
- Local property tax value freeze
 - More than threshold in local ordinance

Know what expenses count for the credit











What Questions Do You Have?

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